95-2041

No.

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

PARA-ORDNANCE MANUFACTURING, INC.,
Petitioner,

v.

SGS IMPORTERS INTERNATIONAL, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

PETITION FOR A WRIT OF CERTIORARI

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June 18, 1996

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83 pp

QUESTION PRESENTED

Whether the opinion of the panel majority, involving a "hindsight" analysis of whether the patented invention was obvious under 35 U.S.C. § 103, conflicts with this Court's decisions in *Graham v. John Deere Co.*, 383 U.S. 1 (1966), and *Markman v. Westview Instruments, Inc.*, ___ U.S. ___, 116 S. Ct. 1384 (1996), and portends a return to *ad hoc* obviousness analysis.

PARTIES TO THE PROCEEDING

Petitioner is Para-Ordnance Manufacturing, Inc. Pursuant to Supreme Court Rule 29.6, petitioner states that it has no parent company or subsidiaries.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Para-Ordnance Manufacturing, Inc. (Para-Ordnance) respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The Federal Circuit's panel decision (Schall, J., with Clevenger, J., concurring, and Archer, C.J., dissenting), which is published at 73 F.3d 1085, is reproduced in the appendix (App.) at 1a. The order of the Federal Circuit denying petitioner's combined petition for rehearing and suggestion

for rehearing in banc, which is unpublished, is reproduced at App. 53a. The opinion of the United States District Court for the Eastern District of Virginia (Ellis, J.), which was announced from the bench and is unpublished, is reproduced at App. 23a.

JURISDICTION

The district court had jurisdiction under 28 U.S.C. §§ 1331 and 1338(a). The judgment of the court of appeals was entered on December 28, 1995. The order denying the combined petition for rehearing and suggestion for rehearing in banc was entered on March 20, 1995. This Court has jurisdiction to issue the writ under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

This case involves an obviousness analysis under 35 U.S.C. § 103, which provides in pertinent part as follows:

> § 103. Conditions for Patentability;
> Non-Obvious Subject Matter
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title [35 U.S.C. § 102], if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

STATEMENT OF THE CASE

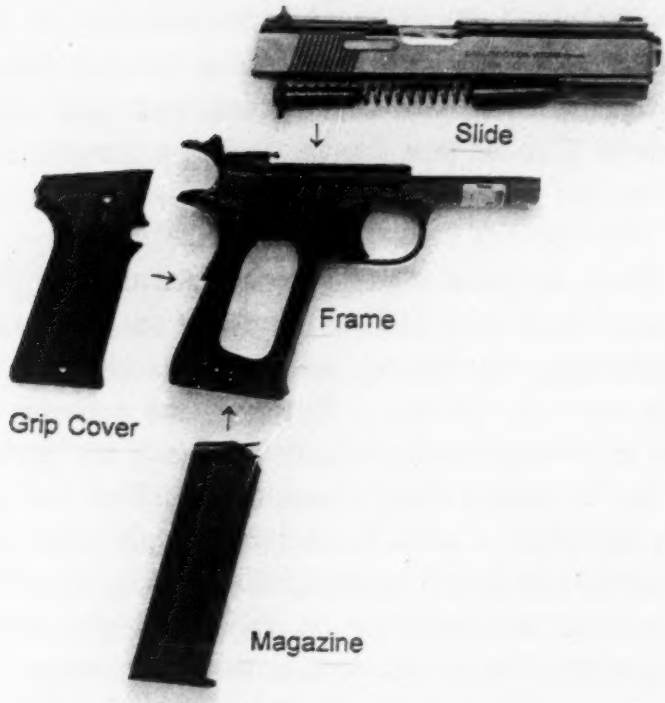
It is a fundamental tenet of patent law, expressly required by statute, that in determining whether a patent is invalid on obviousness grounds, the court is to ask whether the patented invention "would have been obvious *at the time the invention was made* to a person having ordinary skill in the art." 35 U.S.C. § 103 (emphasis added). Thus, the court that is performing an obviousness inquiry is legally required to ignore everything taught by the invention, as well as everything else unknown at the time the invention was made, and avoid using hindsight in making its determination. In *hindsight*, after all, almost everything is obvious. Indeed, the Federal Circuit was created in large part to ensure objectivity and predictability in the obviousness analysis.

Here, the panel majority recognized that the district court may have engaged in hindsight in its analysis, but nonetheless upheld the court's conclusion that the patent-in-suit was obvious. However, the majority itself engaged in hindsight analysis in its framing of the "problem" facing the inventor of the patent-in-suit. With no record support, and citing to none, the majority simply assumed that certain aspects of the invention itself existed in the prior art, and thus used the invention itself against the inventor. The majority's error is fundamental to the manner in which obviousness analyses are conducted. It is critical that the Federal Circuit employ the correct legal principles, since it is the court that Congress has charged with the task of reviewing district court patent decisions. It is for the purpose of ensuring this result that this petition has been filed.

The Invention

The invention involves semi-automatic handgun technology. As can be seen in the following picture, the principal components in this type of handgun are the frame, magazine, slide, and grip covers:

Picture 1



The patent involved here, U.S. Patent No. 4,862,618, exclusively licensed to petitioner Para-Ordnance (App. 3a), relates to a frame design that allows a handgun to accommodate a higher number of rounds, yet remain

manageably sized (App. 2a-3a, 27a). The invention was created with the specific objective of increasing the capacity of the .45 caliber Colt 1911 handgun (App. 14a, 26a, 30a), which was named for the year it was adopted by the United States government and military, and is still sold today. The Colt 1911 magazine holds seven rounds in a single-stack configuration, which has put the handgun at a disadvantage compared to handguns that use smaller ammunition, such as 9 mm rounds, and are thus more easily designed to accommodate a higher number of rounds. (App. 14a, 20a.)

The present inventor created a new frame design that included a wider grip that could accept a magazine with a double-stacked, staggered configuration of .45 caliber rounds. (App. 2a-3a.) The widened grip was then connected (or *merged*) to the top part of the frame of the handgun with side faces having a sloping convergence.[1] (App. 2a-3a.) Prior attempts to expand the capacity of the Colt 1911, including two attempts by Colt itself, had never succeeded. (App. 19a-20a.) Moreover, prior attempts to increase the capacity of other handguns, while successful in certain handguns that used smaller ammunition (such as 9 mm rounds), had used

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[1] Picture 2 (*see supra* p. 8) depicts three handgun frames: (1) the Para-Ordnance frame (with the nose cut off so that it could be transported without being subject to gun control regulations); (2) the frame of one of the two allegedly infringing handguns (the Llama IX-C); and (3) the frame of the handgun that, according to respondent, was adapted to make the IX-C (the Llama IX-A). Further, picture 3 (*see supra* p. 9) depicts the magazines for these same three handguns.

different approaches. (App. 15a.) For example, the two closest designs, the 9 mm Browning Hi-Power and the 9 mm Llama Omni (depicted in pictures 4 and 5, *see supra* pp. 16-17), either removed the top part of the frame above the grip (the Browning) or removed the side walls of the grip portion of the frame (the Llama). Therefore, in neither of these designs was the widened grip connected by side walls to the top part of the frame, much less connected in the "converging" manner described in the invention. (App. 15a, 18a-19a.)

While forging and machining metal strengthens it, but casting metal does not, the inventor recognized that the only economical way to make his frame (because of its converging design) would be by casting. Further, the inventor decided to save weight by using an aluminum alloy that, though weaker than steel, is lighter. Nonetheless, the inventor concluded that his converging design would compensate for the reduction of strength resulting from his use of both casting and aluminum.

The inventor's design was well received. It was favorably described in a number of trade publications, one of which called the invention the "marriage of the century" and "one of the slickest and most noteworthy projects in my memory." Further, the invention has been successful in the marketplace, its purchasers including police departments, the military, other government agencies, and competition target shooters.

Proceedings Below

At a November 1993 trade show in Arizona, Para-Ordnance learned that respondent SGS Importers International, Inc. (SGS) was importing and selling an apparently infringing handgu . An inspection of the .45 caliber Llama IX-C handgun revealed not only that it was virtually identical to the Para-Ordnance handgun, but also that it actually contained a *Para-Ordnance* magazine that had had its identifying marks obliterated. (App. 47a, 49a-50a.)

Para-Ordnance filed suit in the Eastern District of Virginia, seeking damages and injunctive relief based on the sale of both the Llama IX-C and the Llama IX-D. In particular, Para-Ordnance alleged that SGS had infringed claim 1 of the patent-in-suit, which includes a detailed description of the claimed handgun frame.[2] (App. 2a-3a.)

Both of the allegedly infringing handguns had been made by Llama in response to a request from SGS. In fact, during the design of the two handguns, Llama had requested and received from SGS six Para-Ordnance magazines.

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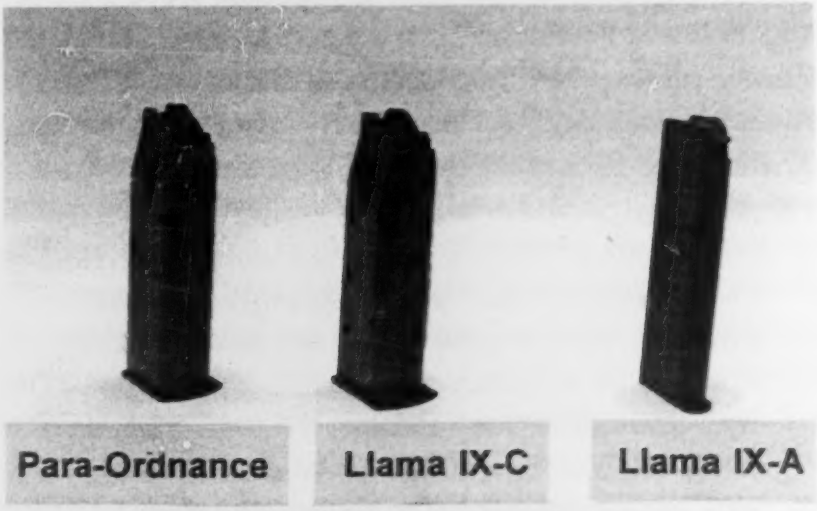
[2] Claim 1 is the patent's only independent claim. SGS never challenged infringement of the additional elements included in the patent's dependent claims, and Para-Ordnance, on appeal, decided not to argue that the presence of any of these additional elements meant that even if claim 1 was invalid, a particular dependent claim would still be valid. Accordingly, on appeal, Para-Ordnance conceded that all of the patent's claims would stand or fall with claim 1. (App. 2a.)

At trial, however, Llama witnesses denied having copied the Para-Ordnance design, claiming instead that the Llama IX-C and IX-D had been adapted from another Llama handgun, the IX-A. (App. 47a, 50a.) The following picture depicts the frames of three of these handguns—(1) the Para-Ordnance frame (with the nose cut off so that it could be transported without being subject to gun control regulations); (2) the frame of one of the two allegedly infringing handguns (the Llama IX-C); and (3) the frame of the handgun that, according to respondent, was adapted to make the IX-C (the Llama IX-A):

Picture 2

In addition, the following picture depicts the magazines for these same three handguns:

Picture 3



The district court conducted a five-day bench trial. The court concluded that the patent-in-suit was both not infringed and invalid. (App. 47a, 49a.) In finding the patent invalid, which is the only aspect of its opinion relevant here,[3] the court concluded that claim 1 was obvious under 35 U.S.C. § 103 in view of the two older 9 mm handguns: the Browning Hi-Power and the Llama Omni (depicted in pictures 4 and 5, *see supra* pp. 16-17). (App. 40a, 41a-42a.)

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[3] Because the panel majority affirmed the district court solely on the basis that the patent-in-suit was invalid, it did not address the issue of infringement. (App. 2a.)

Placing fundamental reliance on SGS's Exhibit 77, which the Federal Circuit later discounted completely, the district court ignored multiple differences between the prior art and the invention and instead focused on only one aspect of the invention: the use of a converging frame to merge the widened grip and the narrower top portion of the frame. (App. 37a-40a.) Further, the district court rejected the evidence presented by Para-Ordnance that it had offered to establish secondary considerations of nonobviousness, including Para-Ordnance's seemingly overwhelming evidence of copying. (App. 44a-47a.)

On appeal, the panel majority agreed with Para-Ordnance that the district court had erred in relying on SGS's Exhibit 77 in finding the patent-in-suit obvious. The majority concluded that Exhibit 77 was "improperly suggestive, and therefore, in the circumstances of this case, may have constituted a type of hindsight analysis." (App. 13a.) Nonetheless, the majority held that this error was not fatal. The majority viewed the district court's obviousness analysis as "proper in every other respect" and concluded that "the remainder of the evidence" was sufficient to support the court's conclusion that the patent's claims were obvious. (App. 13a.)

Specifically, the majority held that the district court had not improperly focused on what it perceived to be the "heart" of the invention—"the claimed invention's converging intermediate faces"—but had simply "give[n] appropriate attention to the feature of the invention that was central to the obviousness inquiry." (App. 6a.) Having said this,

however, the majority failed to address the other aspects of the invention that were missing from the prior art.

Rather, the majority's obviousness analysis then focused on the problem the inventor faced in deciding how "to arrive at the converging intermediate face portions of the claimed invention" (App. 6a) and the question of whether the solution to that problem was obvious. The majority concluded that it was, holding that on the basis of the Llama Omni handgun—specifically, the angled plastic tabs on the inside of that handgun's grip covers—the invention was obvious. (App. 6a-10a.) Notwithstanding the fact that the purpose of the Llama Omni's angled plastic tabs was to guide the handgun's magazine into proper alignment in the absence of side walls, and not to strengthen the frame (as in the patented invention) (App. 38a), the majority concluded that one of ordinary skill in the art would have looked up into the grip of the handgun with no magazine inside, seen the "convergence" created by the plastic tabs, and "seen the converging frame [design of the patented invention] as the solution to the merging problem." (App. 9a.)

Finally, the majority gave short shrift to the substantial evidence Para-Ordnance had presented to establish secondary considerations of nonobviousness, refusing to find that the district court's conclusions in this regard were clearly erroneous. (App. 11a-12a.)

The dissent disagreed with the majority's obviousness analysis, labelling it "a classic example of hindsight." (App. 14a.) Among other things, the dissent recognized that while the majority stated that it was giving no weight to SGS's

Exhibit 77, its analysis "comprise[d] nothing more than the testimony of Mr. Findlay, who used Exhibit 77 as the basis for his position on obviousness." (App. 17a.) Thus, the dissent concluded that if the majority had rejected Mr. Findlay's testimony, as it should have, the district court's obviousness conclusion would not have been sustainable, since there was "no other probative evidence relating to obviousness." (App. 18a.)

The dissent also disagreed with the majority's assessment of the evidence relating to secondary considerations of nonobviousness. (App. 19a-22a.) In particular, the dissent found both "a failure of others to do that which the patent claims" and a "long-felt need" for the invention (App. 20a), and concluded that these considerations amounted to "overwhelming evidence of nonobviousness." (App. 21a.) Further, the dissent found that SGS had made "an exact copy" of the invention and concluded that this copying also provided "persuasive support for nonobviousness." (App. 22a.)

Following Para-Ordnance's combined petition for rehearing and suggestion for rehearing in banc, the court of appeals requested a response from SGS. However, the court ultimately denied Para-Ordnance's petition. (App. 53a.)

REASONS FOR GRANTING THE PETITION

In his dissent, Chief Judge Archer was correct in concluding that in holding the patent-in-suit obvious, the panel majority succumbed to an analysis that is "a classic example of hindsight." (App. 14a.) In falling prey to this analysis, the majority not only judged the invention unfairly, but, more importantly, endangered one of the Federal Circuit's most notable successes—bringing objectivity and predictability to the obviousness analysis. The precedent set by the majority portends a return to the *ad hoc* obviousness decisions that crippled the patent system before the Federal Circuit was created.

Prior to Congress's creation of the Federal Circuit, widely disparate obviousness decisions were commonplace, leading to rampant forum shopping and great uncertainty about the value of patents. The principal culprit of this uncertainty was the willingness of many courts to engage in hindsight analysis, despite the language of 35 U.S.C. § 103 and the clear guidance of this Court.

Indeed, in *Graham v. John Deere Co.*, 383 U.S. 1 (1966), this Court expressly noted that while it could fashion requirements relating to the obviousness analysis, the result that it sought—the "uniformity and definiteness which Congress called for in the 1952 Act"—would occur only with a "strict observance of [its] requirements" by the lower courts. *Id.* at 18. This, however, did not occur here.

An obviousness analysis is undoubtedly one of the most difficult inquiries in the law. Not only is the test—whether the invention "would have been obvious" to "a person having ordinary skill in the art," 35 U.S.C. § 103—difficult to apply in any event, but it must be conducted as of "the time the invention was made." *Id.* However, it is of utmost importance that this test be performed according to the correct principles, and that the decision-maker ignore the teachings of the patent itself and resist the temptation to evaluate the claimed invention with the benefit of hindsight. The continued success of the patent system depends upon parties being able to rely on consistent and objective obviousness analysis, devoid of hindsight.

That the panel majority engaged in hindsight analysis, and committed legal error, is clear from the manner in which it framed the "problem" facing the inventor of the patent-in-suit. (App. 6a, 8a.) Before the Federal Circuit, Para-Ordnance had argued that the district court erred in failing to indicate how a person of ordinary skill in the art would have been motivated to make the modifications to the prior art that had been made by the present inventor. (App. 6a.) In rejecting Para-Ordnance's argument, the majority purported to recognize the impropriety of engaging in hindsight analysis. However, the manner in which the majority framed the problem facing the present inventor reveals that it slipped into the very hindsight analysis that it had seemingly cautioned against:

> The problem addressed by the claimed "intermediate face portions which are converging" is making the mechanical transition between the

> widened grip portion and the narrower top portion of the handgun frame of the Para-Ordnance kit.

(App. 6a.) Further, that the majority engaged in hindsight is equally clear from a later passage in its opinion, where it stated that after the inventor chose to widen the magazine, he

> was half way home. All he had to do now was to decide how to merge the widened grip necessarily resulting from the widened magazine with the handgun's top portion.

(App. 8a.)

The manner in which the majority characterized the "problem" facing the inventor is legal error, involving hindsight analysis, since it is possible to frame the problem in this way only by ignoring the state of the art at the time the invention was made and instead using hindsight to reconstruct the inventive process. Specifically, claim 1 of the patent-in-suit requires two things that are missing from the prior art: (1) that the side faces of the widened grip portion of the frame *merge* with the side faces of the top part of the frame,[4] and (2) that the frame contain a through-bore defining

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[4] The relevant portion of claim 1 provides: "said grip having a width greater than the width of said top part with external side faces *merging* with the external side faces of said top part below said grooves . . . " (emphasis added). (App. 2a-3a.)

a magazine chamber having intermediate *converging* side faces.[5]

The state of the art at the time of the invention was represented by the Browning Hi-Power and Llama Omni 9 mm handguns (App. 3a):

Picture 4

Browning Hi-Power

---

[5] The relevant portion of claim 1 provides: "said through-bore having opposite side faces substantially parallel to the long axis of said top part and defining lower side face portions which are straight and parallel to each other, starting from said bottom end to a zone just below said top part, followed by intermediate face portions which are converging and in turn followed by upper face portions which are substantially parallel to each other . . . ." (App. 3a.)

Picture 5

Llama Omni

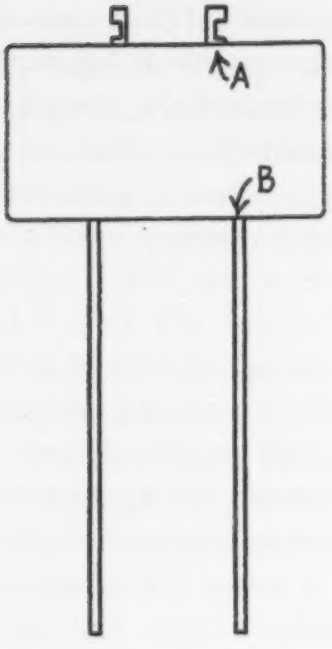
As can be seen in these pictures, both of these handguns increased capacity by widening the grip yet retaining a conventional narrow slide. As a result, the top portion of the frame in these designs had to be narrower than the grip. Neither of these handguns, however, connected (or merged) the widened portion of the grip to the narrower top portion of the frame via side faces. Instead, each opted to remove a section of the frame, thus creating a gap between the widened grip and narrower top portion. Specifically, in the Browning Hi-Power, the top part of the frame within and above the widened grip is completely removed (*see* picture 4). And in the Llama Omni, the widened grip band is not connected by side faces to the top part of the frame above the grip—even the grip covers, when in place, do not touch

the top portion of the frame (*see* picture 5). As the dissent recognized, the prior art never realized the importance of making the "mechanical transition" that the majority cited as the "problem" and used as the starting point of its obviousness analysis. (App. 15a-18a.)

It was the Para-Ordnance inventor who first recognized the importance of frame strength to designing a successful, increased-capacity .45 caliber handgun. An inherently strong frame design was needed not only to withstand the recoil of a .45 caliber round, but also to allow the use of lighter alloys, such as aluminum. It was also the present inventor who first realized that gaps between the grip and the top portion of the frame could weaken the frame and should be avoided in the design of an increased-capacity .45 caliber handgun. These were critical insights, leading the present inventor to design a completely novel handgun frame—widening the grip to accommodate a double-stack magazine and then connecting (or merging) the widened portion of the grip to the narrower top portion of the frame with converging side faces to enhance strength.

In its characterization of the "problem," the majority overlooked the importance of these insights to the obviousness analysis and, instead, repeated the same error it recognized the district court had made. The district court relied heavily on SGS's Exhibit 77 (App. 38a), which purported to depict a cross-section of a prior-art handgun frame, except that a blank box was left in the area between the widened grip portion and the narrower top portion, as illustrated below (petitioner has added the A and B reference points):

SGS Exhibit 77



The fundamental problem with Exhibit 77 is that it erroneously assumed that points A and B existed in a single prior-art handgun, but had been connected or merged in a *different* manner than in the present invention, and that the issue in the case was whether it would have been obvious to merge A and B in the *same* manner as done in the invention. This depiction of the prior art, however, was wrong.

For example, the Browning Hi-Power does not have a top part above A as depicted in the exhibit, and thus obviously did not merge A with B (*see* picture 4). Similarly, the Llama Omni does not have side walls below B as

depicted in the exhibit, and thus obviously did not merge B with A (*see* picture 5). Indeed, in the real world, those of ordinary skill in the art at the time the invention was made—without the benefit of hindsight—had not recognized that gaps in the frame presented a strength problem for .45 caliber handguns or that merging the grip to the top portion of the frame would solve that problem. Accordingly, Exhibit 77, which was supposedly a graphic representation of the problem confronting the inventor, itself assumed an aspect of the invention.

The majority agreed that Exhibit 77 "may have constituted a type of hindsight analysis." (App. 13a.) Critically, however, the majority failed to recognize that its own legal analysis paralleled the very errors embodied in the exhibit. In particular, by framing the "problem" faced by the inventor as "how to merge the widened grip . . . with the handgun's top portion" (App. 8a), the majority merely restated in words what SGS had graphically represented in Exhibit 77.[6]

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[6] In addition, after characterizing the problem incorrectly through hindsight, the majority improperly relied on the Llama Omni handgun, and the plastic angled tabs on the inside of its grip covers, to support its conclusion that the solution to the problem was obvious. (App. 7a-9a.) The record demonstrated that the plastic angled tabs on the inside of the Llama Omni grip covers serve an entirely different function (guidance of the magazine into proper alignment in the absence of side walls) than do the converging side walls of the present invention (providing strength to the frame).

(continued...)

The majority's legal analysis involved improper hindsight of the type this Court specifically cautioned against in *Graham v. John Deere*. There, the Court noted that the judiciary must "'guard against slipping into use of hindsight'" in its obviousness inquiries and "resist the temptation to read into the prior art the teachings of the invention in issue." 383 U.S. at 36 (quoting *Monroe Auto Equip. Co. v. Heckethorn Mfg. & Sup. Co.*, 332 F.2d 406, 412 (6th Cir. 1964)). *See also W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed. Cir. 1983) ("To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher."), *cert. denied*, 469 U.S. 851 (1984).

In *Graham v. John Deere*, this Court also indicated its belief that by setting out the appropriate principles to be followed in an obviousness analysis, the result would be "uniformity and definiteness." The Court, however, fully recognized that this result depended on the judiciary's "strict

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[6](...continued)
Accordingly, it is illogical to conclude (and there is no record support to indicate) that one of ordinary skill in the art would have looked at the plastic angled tabs on the inside of the Llama Omni grip covers and thought that they suggested, as taught in the present invention, the use of a converging frame to merge the widened grip with the narrower top portion of the frame.

observance" of these principles. 383 U.S. at 18 ("We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act."). Also, this Court recently reaffirmed the importance of uniformity in patent cases in *Markman v. Westview Instruments, Inc.*, ___ U.S. ___, 116 S. Ct. 1384 (1996). There, in fact, the Court stated that "[i]t was just for the sake of such desirable uniformity that Congress created the Court of Appeals for the Federal Circuit as an exclusive appellate court for patent cases, H.R. Rep. No. 97-312, pp. 20-23 (1981), observing that increased uniformity would 'strengthen the United States patent system in such a way as to foster technological growth and industrial innovation.' Id., at 20." 116 S. Ct. at 1396.

In sum, in an archetypal example of hindsight analysis, the majority used the teachings of the invention itself in framing the problem that confronted the inventor. Indeed, there is no factual support in the record for the manner in which the majority framed the problem that confronted the inventor, *and the majority cited to none*. The majority's analysis constituted legal error. Further, given the majority's superficial adherence to the principle of avoiding hindsight, its error may cause even more difficulty in the long run. The Federal Circuit was charged by Congress with the task of reviewing district court patent decisions. If the Federal Circuit is not applying the correct legal principles in its obviousness analysis—indeed, if that court is contravening the principles expressly enunciated by this Court in both *Graham v. John Deere* and *Markman*—it is not performing the function for which it was created.

CONCLUSION

For these reasons, Para-Ordnance's petition for writ of certiorari should be granted.

Respectfully submitted,

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June 18, 1996

APPENDIX

United States Court of Appeals
for the Federal Circuit

94-1486, -1487

PARA-ORDNANCE MANUFACTURING, INC.,

Plaintiff-Appellant,

v.

SGS IMPORTERS INTERNATIONAL, INC.,

Defendant/Cross-Appellant.

DECIDED: December 28, 1995

BEFORE ARCHER, *Chief Judge,* CLEVENGER, and SCHALL, *Circuit Judges.*

Opinion for the court filed by *Circuit Judge* SCHALL. Dissenting opinion filed by *Chief Judge* ARCHER.

SCHALL, *Circuit Judge.*

Para-Ordnance Manufacturing, Inc. (Para-Ordnance) appeals the June 2, 1994 decision and the June 9, 1994 order of the United States District Court for the Eastern District of Virginia. *Para-Ordnance Mfg., Inc. v. SGS Importers Int'l, Inc.*, Docket No. 94-117-A. Following a bench trial in Para-Ordnance's patent infringement suit against SGS Importers International, Inc. (SGS), the district court determined that all of the claims of United States Patent No. 4,862,618 (the '618 patent) 1) are obvious over the prior art and are therefore

invalid under 35 U.S.C. § 103 (1988), and 2) were not infringed by SGS. We affirm the court's determination of invalidity and do not address infringement.

BACKGROUND

The '618 patent discloses and claims a "conversion kit" for expanding the ammunition capacity of semi-automatic handguns. An expansion in ammunition capacity is accomplished for any particular handgun by providing a widened ammunition magazine to accommodate an increased number of cartridges arranged in a staggered side-by-side configuration. The kit of the '618 patent has a one-piece handgun frame with a grip portion that is wide enough to hold an enlarged magazine.

The '618 patent contains thirteen claims, with one independent claim and twelve dependent claims. Claim 1 reads as follows:[1]

> 1. A conversion kit to convert a semi-automatic hand-gun of a predetermined round capacity to a hand-gun of a higher round capacity, comprising: a frame made in one piece including an elongated top part having a constant width throughout its length and flat, parallel external side faces, each with an open-ended groove defining guides for the conventional slide of said hand-gun, and a grip downwardly depending at an angle from an intermediate portion of said top part and having a bottom end, said grip having a width greater than the width of said top part

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[1] Para-Ordnance concedes on appeal that all claims of the '618 patent stand or fall with claim 1.

with external side faces merging with the external side faces of said top part below said grooves, said frame having a through-bore defining a magazine chamber extending through said grip and through said top art and forming a bottom opening through said bottom end and a top opening through said top part, said through-bore having opposite side faces substantially parallel to the long axis of said top part and defining lower side face portions which are straight and parallel to each other, starting from said bottom end to a zone just below said top part, followed by intermediate face portions which are converging and in turn followed by upper face portions which are substantially parallel to each other, said grooves being uninterrupted from end to end and adapted to slidably retain said slide for reciprocating movement of the latter.

Para-Ordnance, the exclusive licensee of the '618 patent with the exclusive right to sue for infringement,[2] brought suit against SGS, alleging that SGS's Llama IX-C and IX-D handguns infringed the claims of the '618 patent. In addition to denying infringement, SGS countered that the claims of the patent were invalid under 35 U.S.C. § 103. SGS asserted that the claims were obvious from the following items: the Colt 1911 .45 caliber handgun, the Browning Hi-Power 9mm handgun, and the Llama Omni .45 caliber handgun. Of this prior art, the Colt 1911, a frame and magazine similar to the Browning Hi-Power, and a magazine similar to the Llama

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[2] *See Vaupel Textilmaschinen KG v. Meccanica Euro Italia S.P.A.*, 944 F. 2d 870, 874-76, 20 USPQ2d 1045, 1049-50 (Fed. Cir. 1991).

Omni magazine were before the Patent and Trademark Office during prosecution of the '618 patent. The complete Llama Omni handgun was not.

At the conclusion of the trial, the district court concluded that claim 1 would have been obvious to one of ordinary skill in the art and thus is invalid. The district court based its conclusion of obviousness on the prior art and the testimony of SGS's expert, David Findlay. In determining obviousness, the court found that claim 1 differs from the prior art primarily in the means used to implement the mechanical transition between the handgun frame's widened grip portion and its narrower top portion. These means are found in the claim limitation which refers to "intermediate face portions which are converging."

DISCUSSION

Under 35 U.S.C. § 103, "[a] patent may not be obtained. . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." Obviousness may not be established using hindsight or in view of the teachings or suggestions of the inventor. *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F. 2d 1540, 1551, 1553, 220 USPQ 303, 311, 312-13 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Additionally, when determining obviousness, the claimed invention should be considered as a whole; there is no legally recognizable "heart" of the invention. *W.L. Gore & Assocs.*, 721 F. 2d at 1548, 220 USPQ at 309. In addition, such secondary considerations of nonobviousness as commercial success, long felt but unsolved needs, failures of others, and

copying are considered in determining obviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Avia Group Int'l, Inc. v. L.A. Gear California, Inc.*, 853 F. 2d 1557, 1564, 7 USPQ2d 1548, 1554 (Fed. Cir. 1988). Obviousness must be established by clear and convincing evidence. *Glaverbel Societe Anonyme v. Northlake Marketing & Supply, Inc.*, 45 F.3d 1550, 1555, 33 USPQ2d 1496, 1499 (Fed. Cir. 1995).

The ultimate determination of obviousness is a question of law, which we review *de novo*. *Stiftung v. Renishaw PLC*, 945 F.2d 1173, 1182, 20 USPQ2d 1094, 1102 (Fed, Cir. 1991). The scope and content of the prior art, differences between the prior art and the claimed invention, the level of ordinary skill in the art, and objective evidence of secondary considerations of patentability are fact determinations. *Id.* What the prior art teaches and whether it teaches toward or away from the claimed invention also is a determination of fact. *In re Bell*, 991 F. 2d 781, 784, 26 USPQ2d 1524, 1531 (Fed. Cir. 1993) (citing *Raytheon Co. v. Roper Corp.*, 724 F. 2d 951, 960-61, 220 USPQ 592, 599-600 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 835 (1984)). Following a bench trial, we review the findings of fact underlying a determination of obviousness for clear error. *Stiftung*, 945 F. 2d at 1183, 20 USPQ2d at 1102. "A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948); *see also Milmark Servs., Inc. v. United States*, 731 F. 2d 855, 857 (Fed. Cir. 1984) (same (quoting *United States Gypsum Co.*, 333 U.S. at 395)).

On appeal, Para-Ordnance advances four contentions: 1) that the district court focused on the "heart" of the '618 patent instead of the invention as a whole; 2) that the court did not address motivation to modify the prior art; 3) that the court erred in its analysis of secondary considerations of nonobviousness; and 4) that the court used hindsight in its obviousness analysis. We address each of these contentions in turn.

A.

Para-Ordnance's first contention requires little discussion. In performing its obviousness analysis, the district court properly viewed the claimed invention as a whole, and did not improperly focus on what it perceived to be the heart of the invention. To the extent the court focused on the claimed invention's converging intermediate faces, it did no more than give appropriate attention to the feature of the invention that was central to the obviousness inquiry.

B.

Para-Ordnance's main argument is that the district court did not address how a person of ordinary skill in the handgun design art would have been motivated to make the modifications to the prior art necessary to arrive at the converging intermediate face portions of the claimed invention. We disagree.

The problem addressed by the claimed "intermediate face portions which are converging" is making the mechanical transition between the widened grip portion and the narrower top portion of the handgun frame of the Para-Ordnance kit. As explained above, the grip portion of the frame is wider than the top portion because the grip must accommodate a widened

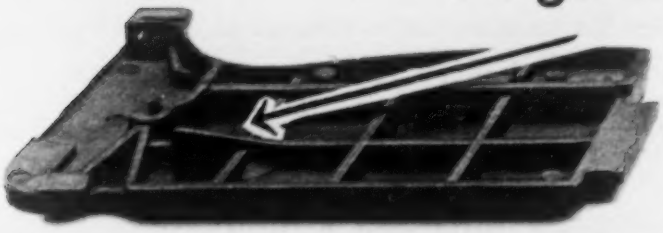
magazine. Thus, the question is whether, in light of the prior art, it would have been obvious to one of ordinary skill in the art to use a one-piece frame with converging areas at the top of the grip that is claimed in the '618 patent. Put another way, would one of ordinary skill in the art who set out to solve the problem of increasing ammunition capacity, and who had before him in his workshop the prior art, have been reasonably expected to use the solution that is claimed in the '618 patent. We have no difficulty concluding that the answer is yes.

The person of ordinary skill in the art would have had before him various prior art handguns, including the Colt 1911 and the Browning Hi-Power, neither of which teach the concept of convergence to solve the problem confronting the inventor. Instead, those references merely teach the use of side faces of a frame to guide magazines snugly into their frames. Those two references, as noted, were before the examiner during prosecution of the '618 patent. The most important prior art available to the inventor as he set out to solve his problem -- art which was *not* put before the examiner -- is the Llama Omni. As seen in the photograph below, the Llama Omni's two grip covers include angled plastic tabs, which converge in the direction of the top of the grip. These tabs function to guide the magazine into its proper position inside the grip. The Llama Omni's magazine, in turn, is widened so that it can hold more cartridges, and it shows convergence at its top portion. This convergence allows cartridges which are inside the magazine in a staggered side-by-side configuration to feed into the narrowed top portion of the magazine and then into the chamber. Thus, not only was convergence in the prior art, but it was there as part of the solution to the need for a handgun

with an increased magazine capacity -- precisely the same need that is addressed by the Para-Ordnance conversion kit.

Llama Omni

Angled Tab



It is true that the plastic tabs inside the Llama Omni grip covers are not part of the frame and that the frame itself, without the grip covers attached, shows no convergence of the kind claimed in the '618 patent. We return, though, to our inventor in his workshop. We can presume that he would have carefully examined all the components of the Llama Omni. He no doubt would have examined the gun's magazine, frame, and grip covers as separate pieces. In so doing, he would have seen that the problem of expanding ammunition capacity was solved by widening the magazine so that it could hold more cartridges in a staggered side-by-side configuration. Essentially, at this point, the inventor was half way home. All he had to do now was to decide how to merge the widened grip necessarily resulting from the widened magazine with the handgun's top portion. Continuing his examination of the components of the Llama Omni, he no doubt would have attached the grip covers to the frame. Then, holding the Llama Omni with its grip

covers attached but with no magazine inside, and looking up into the grip from the bottom, he would have seen, just as we can see from examining Para-Ordnance's Trial Ex. 6a-1 (the Llama Omni), convergence inside a unitary frame, once the grips are attached, as they must be for the handgun to be of any practical use. Indeed, the naked eye could not distinguish this convergence -- created by the attachment of the grip covers -- with the convergence created by the single piece frame of the '618 patent, except to recognize, of course, that the converging areas in the frame of the '618 patent are broader. Quite simply, the inventor would have found himself looking into a converging frame, just as if he were looking into the frame of the Para-Ordnance kit. When he did this, he would have seen the converging frame as the solution to the merging problem.

The district court based its conclusion of obviousness on "both the prior art and the teachings of the prior art . . . [,] and also . . . general knowledge of one skilled in the art." As just discussed, the court had before it the prior art and what it taught. As far as the general knowledge of one skilled in the art is concerned, the court had before it the testimony of David Findlay, SGS's expert witness. With the prior art before him, Findlay testified that the use of a one-piece frame to provide convergence would have been obvious to one equipped with the knowledge generally available to one skilled in the art. Relying upon Findlay's testimony, the district court determined that a person with the general experience and knowledge of one of ordinary skill in the art of gunsmithing/gun design would have chosen the solution claimed in the '618 patent as a straightforward solution.

Based upon the foregoing, with particular emphasis on what the Llama Omni reference teaches, we are unable to say

that the district court's determination of obviousness is either incorrect as a matter of law or based upon findings of fact that are clearly erroneous. Moreover, the district court's failure to set forth an explicit explanation as to how a person of ordinary skill in the pertinent art would have combined the prior art described by the court in order to arrive at the claimed invention does not require reversal. *See Cable Elec. Prods., Inc. v. Genmark, Inc.*, 770 F. 2d 1015, 1025, 226 USPQ 881, 886-87 (Fed. Cir. 1985) (upholding district court's finding of obviousness even though the district court did not explain how prior art teachings could be combined to produce patented invention).

The dissent make two points. The first is that there was no "motivation or teaching for a person of ordinary skill in the art to use a frame made in a single piece with converging side face portions." As we have demonstrated, the motivation leaps at the inventor from thorough inspection of the assembled Llama Omni, inside the frame of which he observes converging side faces which snugly accommodate the prior art magazine. From the decision of the district court, we can, and do, accept the implicit fact-finding that the assembled Llama Omni suggests, if not actually teaches, the marriage of convergent side face portions with and into a single frame piece. While we assume that the dissent must view the assembled Llama Omni differently, we cannot say that the evidence before the court proves its conclusion to be clearly erroneous. We do not believe this is the case, however. As just discussed, there plainly was such motivation and teaching in the prior art.

The dissent's second point is that "the prior art references teach away from making the combination in the claimed invention." In that regard, the dissent takes the position that the

Browning Hi-Power "teaches away from using convergence at all" because it supports the magazine "with a rounded frame that does not converge."

"A reference may be said to teach away when a person of ordinary skill, upon [examining] the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant." *In re Gurley*, 27 F. 3d 551, 553, 31 USPQ2d 1130, 1131 (Fed. Cir. 1994). That the Browning Hi-Power does not have a converging frame does not require a finding that it "teaches away." While it does not teach convergence, there is nothing about the Browning Hi-Power to warn a person of ordinary skill against using convergence. *See In re Fine*, 837 F. 2d at 1074, 5 USPQ2d at 1599 (citing *W.L. Gore & Assocs.*, 721 F. 2d at 1550, 220 USPQ at 311). In other words, there is nothing about the Browning Hi-Power that teaches that convergence should not, or cannot, be used to guide the magazine. Moreover, the teachings of the Browning must be weighed alongside the teachings of the Llama Omni, which, as explained above, teaches the propriety of employing convergence to guide the frame. *See In re Young*, 927 F. 2d 588, 591, 18 USPQ2d 1089, 1091 (Fed. Cir. 1991).

C.

Para-Ordnance also argues that the district court erred in analyzing secondary considerations of nonobviousness. As noted above, such considerations include commercial success, long-felt but unsolved needs, failures of others, and copying. *See Graham*, 383 U.S. at 17-18, 148 USPQ at 467; *Avia Group Int'l, Inc.*, 853 F. 2d at 1564, 7 USPQ2d at 1554. The district court considered the evidence presented in relation to the

secondary considerations and concluded that there was no commercial success, no long-felt but unsolved need, and no copying that favored a finding of nonobviousness. *See* JA at 33-38. Determining whether these considerations exist in a given case is a factual inquiry. *Specialty Composites v. Cabot Corp.*, 845 F. 2d 981, 989-90, 6 USPQ2d 1601, 1607 (Fed. Cir. 1988). This court gives great deference to the district court's decisions regarding credibility of witnesses. *Carroll Touch, Inc. v. Electro Mechanical Sys., Inc.*, 15 F. 3d 1573, 1580, 27 USPQ2d 1836, 1842 (Fed. Cir. 1993) (citing *Anderson v. City of Bessemer City*, 470 U.S. 564, 575-76 (1985)). Given this deferential standard and the strong showing of obviousness discussed above, we cannot say that the district court's conclusions regarding secondary considerations are clearly erroneous. *See Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F. 2d 714, 719, 21 USPQ2d 1053, 1058 (Fed. Cir. 1991) (the weight of secondary considerations may be of insufficient weight to override a determination of obviousness based on primary considerations); *Newell Companies, Inc. v. Kenney Mfg. Co.*, 864 F. 2d 757, 768, 9 USPQ2d 1417, 1426 (Fed. Cir. 1988) (secondary considerations "must be considered, [but] they do not control the obviousness conclusion" (citation omitted)), *cert. denied*, 493 U.S. 814 (1989).

D.

Finally, in asserting that the district court used hindsight, Para-Ordnance challenges the court's reliance on one of SGS's trial exhibits (Exhibit 77).[3] Para-Ordnance argues that Exhibit

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[3] Exhibit 77 is a drawing depicting a rear-view cross section of a handgun frame. The drawing shows all of the elements of the '618 patent except the convergence of the side faces. The area where the side faces

77 improperly suggested to the court that the claimed invention's converging intermediate face was the most obvious way to form the mechanical transition between the invention's widened grip portion and its narrower top portion.

We agree with Para-Ordnance that Exhibit 77 improperly suggested that the claimed invention's converging intermediate face was the most obvious way to form the mechanical transition between the invention's widened grip portion and its narrower top portion, and that the exhibit therefore improperly suggested the finding of obviousness which SGS sought to obtain at trial. Because Exhibit 77 was improperly suggestive, and therefore, in the circumstances of this case, may have constituted a type of hindsight analysis, we have given no weight to it or to the testimony relating to it. Having carefully reviewed the record, however, we hold that the district court's obviousness analysis was proper in every other respect, and that the remainder of the evidence -- discussed above -- supports the court's finding that the claims of the '618 patent are obvious from the prior art.

CONCLUSION

Based upon the foregoing, we hold that the district court's finding of invalidity is neither incorrect as a matter of law nor based upon findings of fact that are clearly erroneous.

COSTS

Each party shall bear its own costs.

AFFIRMED

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United States Court of Appeals
for the Federal Circuit

94-1486, –1487

PARA-ORDNANCE MANUFACTURING, INC.,
Plaintiff-Appellant,

v.

SGS IMPORTERS INTERNATIONAL, INC.,
Defendants/Cross-Appellant.

ARCHER, *Chief Judge,* dissenting.

The obviousness analysis in this case is a classic example of hindsight. The district court clearly applied hindsight by taking two pieces of prior art, neither of which suggests a frame in a single piece with converging sides, and finds that such a frame would be obvious "even to one not [s]killed in the art." The majority similarly applies hindsight by making the same conclusion based on the same prior art. Other than the invention disclosed in the patent, there is no motivation or teaching to combine converging sides in a single piece frame; and in view of the strong secondary considerations, nonobviousness is the proper result. I, therefore, dissent.

The '618 patent relates to an apparatus for converting the well-known .45 caliber Colt 1911 handgun from a 7-round capacity to a 13-round capacity magazine (or clip). Claim 1, the only independent claim, describes a frame made in a single piece with a through-bore defining a magazine chamber with converging side face portions. The specification describes the

primary function of the converging side faces as providing a solid connection between the frame and the slide as well as an uninterrupted guide for the insertion of a magazine.

The district court deemed the converging side face portions as the "heart" of the invention. As a result, the court sought to determine whether prior art existed that would render this "convergence" obvious. The court focused on two prior art handguns, the Browning Hi-Power and the Llama Omni. The Browning Hi-Power has straight side faces with no convergence of any kind. Instead, the handgun utilizes an open-faced frame with a rounded front handle portion that supports the insertion of the magazine. The Llama Omni also has an open-faced frame with no convergence. However, the handgun does utilize a converging strip on the grip covers. Neither of these prior art references therefore uses converging side faces on the frame to provide a solid connection or to guide the insertion of the magazine.

For a combination of prior art references to render an invention obvious, "[t]here must be some reason, suggestion, or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination." *In re Oetiker*, 977 F. 2d 1443, 1447, 24 USPQ2d 1443, 1446 (Fed. Cir. 1992). That one must point to some reason, suggestion, or motivation to make a combination is not to say that the teaching must be explicit, but in order to render an invention obvious by the combination of prior art references, the record must contain some basis to rebut the presumption of validity. *See, e.g., Vandenberg v. Dairy Equip. Co.*, 740 F. 2d 1560, 1568, 224 USPQ 195, 198 (Fed. Cir. 1984). A finding of obviousness on any other basis would constitute hindsight. *See Interconnect Planning Corp. v. Feil*,

774 F. 2d 1132, 1143, 227 USPQ 543, 551 (Fed. Cir. 1985) ("When prior art references require selective combination by the court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself.").

Neither the district court nor the majority points to any motivation or teaching for a person of ordinary skill in the pertinent art to use a frame made in a single piece with converging side face portions. A simple invention may be patentable, even if the invention comprises the combination of features known in the art, provided the combination itself is not obvious. *See In re Sponnoble*, 405 F. 2d 578, 585, 160 USPQ 237, 243 (CCPA 1969) ("A patentable invention, within the ambit of 35 U.S.C. §103, may result even if the inventor has, in effect, merely combined features, old in the art, for their known purpose, without producing anything beyond the results inherent in their use.") (emphasis omitted). Here, however, the claimed invention would not even result from a combination of the cited references. As the district court and the majority recognize, neither the Browning Hi-Power nor the Llama Omni utilizes a single frame with converging side faces. Only the Llama Omni has any convergence, and its converging elements are formed by the grip covers, not the frame. "The mere fact that elements of [an invention] may be found in various [references] does not necessarily negate invention." *In re McKenna*, 203 F. 2d 717, 721, 97 USPQ 348, 351 (CCPA 1953). Nevertheless, the district court and the majority find that moving the convergence from the grip covers to the frame would have been obvious.

The district court recited two grounds for its obviousness finding. The first was the court's observation of Exhibit 77, a

line drawing profiling appellant's invention but omitting the convergence of the side faces, and the second was the testimony of the appellee's expert, Mr. Findlay. The district court stated:

> [Exhibit] 77 is a useful way to think about it. Indeed, the Court spent some time last night making sketches of it. Almost infinite variety of configurations one could pick. And the obvious one, even to one not [s]killed in the art, would be to converge [the frame].
>
> But in any event, I'm persuaded by Mr. Findlay's testimony in that regard.

The majority recognizes that Exhibit 77 was improperly suggestive and may have constituted a hindsight analysis, and thus gives no weight to the exhibit. Yet, the majority nonetheless concludes that the rest of the district court's obviousness analysis was proper. The analysis on which the majority relies, however, comprises nothing more than the testimony of Mr. Findlay, who used Exhibit 77 as the basis for his position on obviousness.[1] Thus, the majority, having

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[1] The appellee's expert always explained his position on obviousness in terms of Exhibit 77. Even though the expert also made comparisons of the Browning Hi-Power and the Llama Omni with the patented invention, in proffering obviousness the expert only gave conclusory reasons why one skilled in the art would choose to make the combination of the prior art references. The appellant's expert, in contrast, presented more than mere conclusory statements. The expert explained that one skilled in the art of handgun manufacture would not have necessarily chosen to create a convergence in the frame based on manufacturing considerations, noting that the preferred embodiment of the patented invention utilizes investment casting, whereas the art of handgun manufacture had predominately relied upon electro-chemical machining.

rejected Exhibit 77, should also have given no weight to the testimony of Mr. Findlay. If such evidence is excluded, the district court's obviousness finding is clearly not sustainable. There is an absence of any motivation or teaching in the prior art to combine the prior art references, and there is no other probative evidence relating to obviousness.

After essentially rejecting the district court's obviousness analysis based on the prior art, the majority proceeds to construct its own analysis of the prior art to find that the invention would have been obvious. The majority suggests that motivation for the claimed invention comes from looking into the Llama Omni with its grip covers attached but with no magazine inside and that convergence would be seen. The problem with this is that the convergence is still on the plastic handles, not the frame. To say as the majority does that viewing the Llama Omni convergence would suggest converging the frame is in my view not the teaching, suggestion, or motivation necessary to overcome the presumption of validity. It is not clear and convincing evidence of obviousness.

In addition, the record below supports nonobviousness because the prior art references teach away from making the combination in the claimed invention. For example, the district court recognized an "[a]lmost infinite variety of configurations one could pick" to form a handgun with sides that support a large capacity magazine. Supporting this is the fact that both the Browning Hi-Power and the Llama Omni handguns form the mechanical transition between the widened grip portion and the narrower top portion in some manner different than the converging side face portions used in the claimed invention. The Browning Hi-Power teaches away from using convergence

at all, achieving support for the magazine through a rounded frame that does not converge. The Llama Omni utilizes three separate pieces to form the convergence. In addition to the two ways demonstrated by the prior art, the appellee's own expert testified that there was an infinite range of possibilities to achieve the desired result. Thus, the evidence discloses a variety of ways to connect the frame with the slide and to guide the insertion of a magazine. In sum, with no motivation or teaching to combine converging side face portions with a single piece frame, and with the evidence of teaching away, the record supports a conclusion of nonobviousness. Any contrary conclusion would be based on hindsight.

The secondary considerations of nonobviousness serve "as insurance against the insidious attraction of the siren hindsight." *W.L.Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F. 2d 1540, 1553, 220 USPQ 303, 313 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Indeed, "[e]vidence of secondary considerations may often be the most probative and cogent evidence [of nonobviousness] in the record." *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F. 2d 1530, 1538, 218 USPQ 871, 879 (Fed. Cir. 1983). The appellant points to four secondary considerations to support nonobviousness: failure of others, long-felt need, commercial success, and copying.

The district court rejected failure of others as an indicium of nonobviousness because it was the inventor who previously attempted but failed to develop a device to convert the Colt 1911. The district court, however, said nothing about the fact that the manufacturer of the Colt 1911 had also attempted but failed to expand the magazine capacity of the Colt 1911. The record shows that it had not only tested extended length single stack magazines but also staggered magazines for expanded

magazine capacity, but found them inadequate and never developed either alternative. Such a failure of others to do that which the patent claims is strong evidence of nonobviousness. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F. 2d 1044, 1054, 5 USPQ2d 1434, 1440-41 (Fed. Cir.), *cert. denied*, 488 U.S. 825 (1988).

The district court also found no persuasive evidence of a long-felt need for expanded capacity magazines for the Colt 1911. The court made this finding based primarily on the fact that in 1986 the U.S. military converted from the Colt 1911 to the Beretta, a nine millimeter handgun with a 15-round capacity. As the district court recognized, the Colt 1911 had been used by the U.S. military at least since 1911 but neither the Colt manufacturer nor any other manufacturer had developed a .45 caliber handgun with an expanded capacity magazine. There was obviously a need at the time of the conversion to the Beretta handgun, and even the district court recognized such a need was present from the mid- to late-1980s. A long-felt need is also persuasive evidence of nonobviousness.

Although the district court found that there had been commercial success, the court rejected this secondary consideration because of the absence of "any evidence to show that this commercial success is related to an invention that the patentee claims to have made." In discussing commercial success in the obviousness analysis, the court correctly pointed out that there must be a nexus between the sales and the merits of the invention. *Kansas Jack, Inc. v. Kuhn*, 719 F. 2d 1144, 1151, 219 USPQ 857, 861 (Fed. Cir. 1983). *But see Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F. 2d 714, 719, 21 USPQ2d 1053, 1058 (Fed. Cir. 1991) ("[P]rima facie evidence of nexus is

established if there was commercial success and if the invention disclosed in the patent was that which was commercially successful."). The district court pointed to advertising and the sponsorship of competitive shooting teams as the principal reasons for appellant's commercial success. While there were contradictory statements in the record as to the reasons for the commercial success, I am not persuaded that either of these activities overcomes the evidence that commercial success was the result of the invention claimed in the '618 patent being the first to enable an expansion of the magazine capacity for the Colt 1911. Further, appellee's attack upon the commercial success of the patented invention is less credible where appellee makes or sells an exact copy of the patented invention as discussed below. Finally, even if the district court was correct in finding other reasons for commercial success, the other secondary considerations discussed are overwhelming evidence of nonobviousness.

The district court also found evidence of copying but rejected this consideration. Copying of a patented invention is indicative of nonobviousness. *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F. 2d 995, 1000, 228 USPQ 562, 565 (Fed. Cir.), *cert. denied*, 477 U.S. 905 (1986). The district court's conclusion on this point is also erroneous. The appellee conceded at trial that the accused handgun reads on one or more claims of the '618 patent, only disclaiming infringement because of the wording of the preamble. Appellee's frames, grip covers, and magazines are clearly exact copies except for the location of the magazine catch hole, yet the magazines are compatible for either handgun. In addition to manufacturing handguns that read directly on the '618 patent claims, appellant alleges, and the record does not indicate otherwise, that appellee also

converted Llama models that were clones of the Colt 1911 into expanded capacity handguns (for the conversions, the frame, grip covers, and magazine of the Llama IX-A and IX-B were simply replaced to produce handguns covered by the claims of the patented invention). Appellee, therefore, may have utilized the very conversion kit methodology set forth in the preamble of the claims. The evidence of copying provides persuasive support for nonobviousness.

For all of the reasons stated above, the conclusion is inescapable that the district court applied hindsight and failed to give adequate weight to the secondary considerations in reaching its obviousness determination. Unfortunately, the majority opinion now makes the same mistake. Accordingly, I dissent.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

C.A. No. 94-117-A

PARA-ORDNANCE MANUFACTURING, INC.
Plaintiff,

vs.

SGS IMPORTERS INTERNATIONAL, INC.
Defendant.

JUNE 2, 1994

BEFORE: HONORABLE T.S. ELLIS, III
JUDGE

APPEARANCES: JOHN ANDERSON, ESQ.
MARVIN PETRY, ESQ.
LINDA RING, ESQ.
LAURI HAND, ESQ.
(On behalf of Plaintiff)

SUMNER C. ROSENBERG, ESQ.
MARC SETTEE, ESQ.
MARY JANE SAUNDERS, ESQ.
(On behalf of defendant)

[1] (THEREUPON, the following was heard in open court at 8:45 a.m.)

THE CLERK: Civil action, 94-117-A, Para-Ordnance Manufacturing, Incorporated versus SGS Importers International, Incorporated. This case comes on for further trial by the Court.

Are the parties ready?

MR. PETRY: Yes, Your Honor.

MR. ROSENBERG: Yes, Your Honor.

THE COURT: All right, good morning. I ended yesterday by complimenting counsel, and I think that's an appropriate place to begin again having now gone through my notes and having gone through exhibits in some detail. And so it's appropriate, I think, to reiterate that counsel did a fine job on this case.

If it were up to the Court based on the performance of counsel, both sides would win. It's also a pleasure not to have a case where the Court has to struggle to decide which of many dissembling witnesses are telling the truth. In general, this was a case involving honorable people on both sides, having a genuine dispute.

All right. The Court will state it's finding and conclusions pursuant to Rule 52, Federal Rules of Civil Procedure. And I will begin -- there are some initial findings which are not seriously disputed. [2] I think I should also point out that since I'm going to give the findings and conclusions orally, that there will often be -- I will often go back and forth between conclusions of law and findings of fact. There isn't going to be any effort to insure that there's a sharp line between findings of fact and conclusions of law. But I don't think that presents any impediment to the Court's ultimate ruling.

All right. The matter was tried to the Bench without a jury. It was tried on an expedited basis with the parties

cooperating on discovery in a way that again deserves the compliments of the Court, demonstrating, I think, that good lawyers can try challenging cases expeditiously and thoroughly and fairly.

The plaintiff in this matter is a Canadian company organized under the laws of Ontario, Canada, and it has a place of business in Ontario. It also is going to have a place of business, as I understand it, in Montreal. But, in any event, it's principal place of business is in Ontario. And it has a licensee and exclusive licensee in the United States with the same -- essentially the same name. And that exclusive licensee in the U.S. is the licensee under the 618 patent which is the patent at issue here.

The defendant -- oh, I should go on to say that [3] the plaintiff makes and sells a 13 round .45 caliber expand capacity semi-automatic pistol, the Para-Ordnance pistol.

And the plaintiff also sells the 13 round magazines that go with it, and they sell the handguns that it manufactures through a single distributor and that's the Florida corporation for the principal place of business in Fort Lauderdale.

And there was also testimony from the plaintiff's witnesses that some of the parts for the plaintiff's gun were manufactured by Eastern Mold and Dye Company Limited which is another Canadian corporation in Ontario and which is owned in part by the inventor's or inventor's family and the -- that is, by his father and his family.

The -- I beg your pardon. The Para-Ordnance is essentially a small company owned by the inventor and Mr. Polyzos. And Mr. Polyzos also has some sort of interest in Eastern Mold and Dye, as I recall it, third interest of some nature.

Now, the defendant, SGS is a New Jersey corporation. And it too sells an enhanced capacity semi-automatic pistol, several of them, as a matter of fact, including the 9 C's and D's which are expanded capacities semi-automatic .45 caliber guns that are [4] manufactured by Llama which is a

spanish corporation that is in Spain. And there is an importer that imports the Llama handguns to the United States and sells them to SGS. The identity of the importer escapes my mind at the moment, but is isn't material to any of the Court's sentence -- Court's resolutions.

Now, the patent, the 618 patent issued in September of 1989 to Mr. Szabo. Mr. Szabo, as I indicated gave the American subsidiary the exclusive license -- he gave has company in Canada, they have the license to make, use and sell.

Now, the patent is entitled handgun conversion kit. And as I said, it was issued in September of '89, and the application was filed earlier. I've forgotten the date on which the application was filed, but that's not material either to any of the decisions that the Court has to make. In any event, it's in the record and it's undisputed.

Now, the patent has a stated object and that is to be a conversion kit that allows the conversion of an existing handgun to a higher capacity handgun by using the described pieces, namely the frame, trigger, magazine, along with the remaining parts of the original handgun. And it's pretty clear from the evidence that the original handgun was intended to be the 1911 Colt .45 and that this [5] was to convert 1911 Colt .45 keeping the same parts of the Colt .45 except for the frame, magazine and the -- they keep the slide and some other pieces as well.

The patent does not specify any caliber. On its face, it applies to any caliber. And the patent -- the patent is in a standard form, and I'll review it in somewhat greater detail in just a moment.

The two accused properties which are expanded capacity .45 guns made by Llama and imported in the United States, the testimony is that they were they are complete operating guns rather than conversion kits. And they're based on a previous nine millimeter design by

Llama. There is an allegation of copying which I'll come to in a few minutes.

Now, it would be necessary for the Court to get into some details on the claims in a minute, but I'm going to describe the patent more generally in a moment.

The 618 patent is a whole and it's important and I'll try to keep this in mind as I go through to look at the invention as a whole throughout. But the 618 patent describes a conversion kit, as I said, to convert the semi-automatic handgun of a predetermined round capacity to a handgun of higher round capacity. And the patent examined makes it pretty clear that the sharp focus by the patentee and the French patent agent who worked on it with [6] him was to a conversion kit.

If we look at the patent, the abstract states that this kit is to convert a semi-automatic handgun. The field of invention states that while the invention relates to handguns, it says more specifically to a kit for converting an existing handgun. And where the 618 patent defines its objects, they're always defined in terms of converting a semi-automatic handgun and to provide a converted handgun, which handles still better than the original handgun and to provide a converted handgun which is about the same weight as a full original handgun.

The same reference to conversion can be found in the summary and the invention portion of the patent, and the same can be found in the detailed description of the preferred embodiment. They begin with "the conversion kit of the invention comprises" and then the preamble of claim one, which is the only independent claim in the patent reads that it's "a conversion kit to convert a semi-automatic handgun of a predetermined round capacity to a handgun of higher round capacity."

The body of claim one of the 618 patent refers to a "said handgun" after having started out by saying "a conversion kit to convert a semi-automatic handgun of a predetermined

round capacity to a handgun of higher round capacity, compromising a frame made in one piece, [7] including an elongated top part, having a constant width throughout its length and flat parallel external side faces each with an open-ended groove, defining guides for the conventional slide at said handgun.''

When it says ''said handgun'', it is referring, of course, to the handgun to be converted. And that's a reference, in effect, to the preamble.

The drawings are also consistent with the notion that the patent relates to a conversion kit because the drawings, none of them show completed guns except for two figures. And in those two figures, exhibits -- figures one and seven, the additional parts of the handgun are shown as a dotted or dashed lines.

Then, of course, we have each claim. Each claim begins with the phrase, ''a conversion kit'', ''a conversion kit'', in every single one of the claims.

Now, what are we to make of that? The plaintiffs contend that -- and they file the motion for summary judgment which the Court now has before it again arguing that the effect of the preamble is to limit the patent to a conversion kit.

The plaintiffs take the position that the preamble doesn't limit it, the patent, and indeed they point out to the evidence -- point to the evidence that the plaintiff has made completed guns since essentially [8] around the time of the issuance of the patent, if not before.

Now, the Court has to construe in order to determine -- I'm essentially starting with infringement. In order to determine whether the SGS guns, the defendant's guns infringed any claim of the 618 patent, the Court has to construe the meaning of the claims and then the Court can apply the construed claims to the allegedly accused guns.

Now, courts often consider claim construction to be a matter to be determined by the Court, and whether it's a matter of law or a mixed question of law, in fact really doesn't matter very much in this instance because the Court is determining the matter without a jury.

However, the meaning of plain language, the Court certainly should look to the underlying facts in interpreting the claims and the patent specifications file history, the application leading to the patent, testimony and all of the other matters can be taken into account by the Court in interpreting the claims.

The issue whether the preamble constitutes a limitation is an issue that has been around for a long time and quite surprisingly not settled in any certain way.

In response to that, the defendant sort of [9] imaginatively undertook to categorize all of the cases that they found on preambles of limitation and found three factors that distinguish these categories and urged that this case fell into -- met those factors for using the preamble as a limitation.

There is, of course, a Meaning in Life test. The Meaning in Life test is that the preamble must be read to give meaning to the claim or it is essential to point out the invention. That's one statement of the Meaning in Life case. It doesn't merely limit the claim if it merely states an intended use.

As a practical matter, that doesn't point persuasively to any particular conclusion. It's sort of a question begging test. But, I'm not persuaded by the plaintiff's categorization of all of these cases necessarily. I don't know that that answers any real question, that is.

The first one is the category that they take is if -- if a preamble is in the form or a formula of X for Y, then they argue that it ought to be a limitation. It ought to be specifically limited to the specific device X.

The second category that they talk about is whether the preamble is used as an antecedent basis for a word later

appearing in the body of the claim. Well, that's true in this case, as I just indicated. But, I'm [10] not -- that doesn't strike me as disposative either.

And then the third factor they cite is that if the preamble states an object of the invention that was previously unknown or unsolved. That one doesn't really persuade me either. The Sumitomo case, I think, ultimately is about as good a statement as one gets. And in the Sumitomo case, the Court acknowledged that there wasn't any clear test to determine whether a preamble is a limitation but that you had to look at the entirety of the patent with a view towards understanding what the inventors actually invented and intended to encompass by the claim.

Here, as I indicated, the patent states that the problem being solved by the 618 patent was the lack of kits. They didn't say there weren't any expand .45's. They just said this is a kit for converting standard weapons. They really had in mind the model .45 -- the 1911 model .45 standard semi-automatic handgun.

And, the abstract describes it as a kit to convert a semi-automatic. All the claims call it a kit. All of that calls it a kit.

Looking at the patent as a whole and using the Sumitomo case and I think some of the other cases as well that are cited, that the Court has reviewed that use the preamble as a limitation such as the Porter case which is [11] at 790 Federal Second and the case by -- the Loctite case which is at 781 Federal Second, they do support the theory that the plaintiff -- or the defendant tries to weave about the three factors.

Ultimately, the Court concludes that this patent is about conversion kits. It's not about a handgun. These people had an opportunity to say that they wanted to patent a gun, but really what they -- the whole patent is about a conversion kit and how you convert a semi-automatic handgun.

So, not only does the preamble limit, but the claims themselves all relate to a conversion kit. And, of course, because the accused devices are not conversion kits, in the Court's view, there is no infringement and the Court so concludes, no direct infringement. The Court still has to consider whether there is the doctrine of equivalence.

The doctrine -- but let me finish a bit more. While I don't find conclusive the defendant's analysis as they said about on the three -- the three factors that they went through, I do find it supportive of the conclusion reached by the Court.

And also I find -- I find persuasive again that the patent taken as a whole, the claims, the summary of the invention, the objects of the invention, the [12] background of the invention, the field of the invention, detailed description and the claims all focus on a conversion kit.

And that also seems to be what the inventor focused on. He took the Colt .45 or the 1911 model .45 and set out to develop a conversion kit so that it could be converted. After all, it was a tremendous market out there for these guns. There already were many of them that existed out there. They had ample opportunity.

A patent is like a deed, it's often said. And a deed tells people where the boundaries of the property are so that you don't trespass on it. This deed says ad nauseam, conversion kit, conversion kit, conversion kit. And there is some responsibility on the part of a patentee and the patent agent to be precise about what they're claiming. And in this case, their position was focused on a conversion kit.

No fair-minded person, I think, can read this patent without coming away with the conclusion that it is related to a conversion kit.

The fact that the plaintiff did make guns essentially contemporaneously with the issuance of the patent doesn't persuade the Court. If anything, they should have gone back and gotten a reissue for the whole gun. But they didn't do

that. They chose not to do that. [13] And the consequence in the Court's view, is that they would be held to have a patent on what they claimed and not on what they wished they had claimed.

So, the Court holds that the patent is limited to conversion kit, and therefore there is no direct infringement.

Now, in the Court's view there's also no doctrine of equivalence in this instance. This was not -- the accused devices do not accomplish the same result, same function, the same way. There's nothing about a 1911, an existing handgun, that's converted.

The accused devices are handguns that are built from the bottom up as the testimony confirms. So, I don't believe there's any doctrine of equivalence infringement here. Ordinarily, that would end the matter, but in the interest of good judicial husbandry, the Court believes it should go on to consider, because of conservation resources, it should go on to consider the next logical issue which is the issue of obviousness under Section 103.

There are no other attacks on the validity of this patent. The anticipation was abandoned and there have been some other -- there is one other. There is inequitable conduct which I will also address.

Now, in Section 103, obviousness, the difference under the Gram case or the test is whether the differences [14] in the subject matter of the 618 patent as a whole and the prior art are such that the subject matter as a whole of the invention, that is, would not have been obvious at the time of the invention of the 618 patent to a person having ordinary skill in the art, that is the art of semi-automatic handgun design.

The burden to show invalidity through unobviousness or obviousness is on the defendant by clear and convincing evidence.

The parties are very close on a description of the hypothetical person of ordinary skill in the art. It is, in essence, a person with a mechanical engineering degree or some equivalent, has to have five years experience working in the firearm field, have some involvement in handgun design, generally. And the person would also have to have an understanding of the prior art or the awareness of the prior art that's demonstrated in guns and patents and magazines and the like.

There was agreement, a central agreement on that. And then we had expert testimony chiefly by Mr. Findlay and Mr. Parker (sic).

The plaintiffs attack Mr. Findlay's qualifications. In the Court's view I'm not persuaded. I've reviewed his testimony and Defense Exhibit 67. I think he is adequately qualified and so noted as I [15] listened to him. Mr. Baker is also quite well qualified as a designer of handguns.

Indeed, this was a case in which the experts who testified for the parties were both good, experienced, conscientious in the Court's view, honest experts who had an honest disagreement of view.

Now, let me digress for a moment and give you the legal principles that I used in deciding the obviousness issues because those legal principles are the lens through which I looked at the testimony and the record.

I've already indicated to you that the essential question under the Dear case was whether the differences in the subject matter of the 618 patent and the prior art are such that the subject matter of the patent as a whole would not have been obvious at the time of the invention of the 618 patent to a person having ordinary skill in the art to which the patent pertains. That's the essential issue. And you have to define as a matter of fact what a person of ordinary skill is. There's a central agreement and I've already done that.

Now, there was some dispute among the parties, but I think it was more illusory than it was actual on exactly how one goes about this; that is, exactly what standard is used with respect to did -- how the prior art [16] is used and whether one is restricted to the prior art.

The parties were in agreement you have to consider the invention as a whole. And the Court has made a concerted effort to do that in it's review of this matter.

But the dispute between the parties was whether you had to look at the prior art and whether the prior art had to teach or suggest the invention so that it was obvious.

That certainly is one test. But in the Court's view, it's not the only way to get to the obviousness.

In the case of In re Fine, at 837 Federal Second 1074, the Court is persuaded that that states correctly what the test is. It's also the same test that appears in the case entitled In re Jones which is a chemical patent. The application is not the same, but the test is.

And in essence, there they were talking about whether the patent and trademark office could combine disclosure of two or more prior art references. And, there are a number of prior art references here. And the answer is, yes, but there must be some suggestion for doing so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art.

In other words, one is not limited strictly to [17] the prior art, nor would it make any sense to limit someone to the prior art. You also have to deal with what the basic -- what basic knowledge a person would have with ordinary skill in the art.

The Fine case says specifically that they're talking again about what the patent and trademark office has the burden of doing under 103. They have to establish a prima facie case of obviousness. But the principle -- even though that application isn't this application, the principle is the same.

And there they said that the burden could be satisfied only by "showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references."

So, obviousness, it can't be done through hindsight. You got to put yourself back to 1977, 1988, look at it from a point of view from somebody with ordinary skill in the art, whether of not there's a suggestion in the prior art as a case-by-case issue in light of the invention. And in some instances, the prior art implicitly supplies a suggestion that the prior art teachings could be combined.

But the suggestion can either be in the prior art or as I say, in knowledge generally available to one [18] with ordinary skill in the art.

Now, those are the legal principles. And again, you have to consider the invention as a whole. You can't pick and choose things here and there, just look at little things in isolation. But this issue was thoroughly vented by the experts in their testimony. And as I said, both experts were qualified, experienced and conscientious and in the Court's view, quite honest people who believed firmly in their views. And I listened to both experts carefully. I had an opportunity to hear both of them twice, and I had an opportunity to reflect on what both said. And I wrote -- at the end of the testimony of each one, I wrote down my impressions.

I'm going to go through it in a little more detail here in a minute, but the bottom line is that I came away from the testimony of the two experts convinced by Mr. Findlay's testimony. I found his elucidation of the differences between the claims and the prior art and the lack of obviousness to be clear and convincing, and I adopt that. But I'm going to go through some of them in any event.

Now, as I indicated, there is no anticipation. Now, in going through as far as combining aspects and characteristics of various guns, I think it was clear from the testimony of

many of the witnesses that that was not [19] uncommon in designing handguns, to use different parts. Indeed, that's what the inventor in this instance dealt with or did. He wanted to use certain aspects of the 1911 and just modify others.

Now, the other -- there's one other matter that has to be done before one can get to obviousness, and that is one has to define the prior art. And, of course, the prior art consists of not only of that cited by the patent office but any other art that would be material to the convention. I don't think there's any doubt that Browning Hi-Power is material to the prior art.

There also is no doubt that the Llama Omni is material to the prior art with respect to the 618 patent. The 1911 .45 caliber is also material to the prior art and so were all the various articles.

The Boland presents an interesting issue. The Boland handgun would clearly be material prior art if it is not experimental or somehow or otherwise disabled from being a prior art, that is, if it wasn't on sale or anything of that sort.

The evidence seems to be that the Boland handgun was done for a single shooter, was done more than a year prior to 618 patent application. It was sold to this person. He did use it in shows and shooting.

What troubles me is the fact that it never [20] seemed to be finished. He kept coming back and coming back and coming back. Now, none of those changes dealt with really essential parts of the Boland gun, but I was sufficiently troubled about the Boland gun, that while I on the whole think that it's a close question whether it's prior art, the Court decided to eliminate the Boland gun in its consideration of whether -- of obviousness and just to focus on the other references and the testimony. I think it's a very, very close issue as to whether it is prior art.

Now, we then come to the differences between claim one and the prior art. Claim one is the only independent claim. It's really the heart of what was invented.

Let me say a word about this, about the invention. You spent a great deal of time on convergence and on the thickening of the metal in the area described by claim one of the patent. Specifically what it says is "a frame made in one piece, including an elongated top part, having a constant width throughout its length and flat parallel external side faces each with an open-ended groove, defining guides for conventional slide of handguns and a grip downwardly depending," and we come all the way over here, where it says, "said frame having a through-bore defining a magazine chamber" -- yes. Then it [21] gets to "starting from said bottom end to its own just below said top part followed by an intermediate face portions which are converging and in turn followed by face portions which are substantially parallel to each other." That's a discussion of the frame. Claim one pertains to the frame.

Now, a lot was said and claimed by the patentee that I think any person listening to this would say, well, you know, that's really the heart of what he claims he's invented, this magazine that fits into this that's guided by this extra strength of the frame because of the thickening metal and the convergence which helps to guide the magazine and also adds strength to the frame.

I have the insistent sense, I don't know that it's necessarily vital to the Court's conclusions, but I have the insistent sense that the strength additive aspect of the convergence is an afterthought. There aren't any strength tests. The only strength test that's been shown, I think, is the one where Mr. Findlay cut it all out and shot it without it. It seemed to work it okay. But he only shot it, I think, 30 times I believe, something like that.

So the plaintiff attacked that understandably as not being a thorough test. Nonetheless, the plaintiff never offered any

test showing they really added any [22] significant strength and I'm persuaded by Mr. Findlay's testimony that the thing has plenty of strength whether is has that added metal in there or not. It already had adequate strength to do what it needed to do. And the fact that there are higher powered shells or anything like that, none of that persuaded me. I think the added strength was an afterthought. But that doesn't really matter. I just point that out sort of parenthetically.

Now, the differences between the prior art and claim one are largely this converging, thickening face. The Llama Omni just has plastic ribs, and I think the plastic ribs -- and I've examined all of these exhibits at some length into the late hours of last evening. And I've loaded more guns last night than I loaded in six years in the Navy. And it was an interesting exercise.

I think those ribs do serve the purpose of guiding it. I don't think they add any weight. They're also on grips that are separate from the frame. That's a difference between the Llama Omni and the claim one.

But I'm persuaded that those differences which are clearly described in Mr. Findlay's testimony are obvious to one of ordinary skill in the art as he testified because that's what people with their general gunsmithing -- gun design experience and knowledge would do.

[23] I thought exhibit -- I think it was Defendant's Exhibit 74 was also a useful way to think about it. Is it 74, Mr. Rosenberg that shows the block and ——

MR. ROSENBERG: I believe it's 77.

THE COURT: All right, 77 is a useful way to think about it. Indeed, the Court spent some time last night making sketches of it. Almost infinite variety of configurations one could pick. And the obvious one, even to one not killed in the art, would be to converge.

But in any event, I'm persuaded by Mr. Findlay's testimony in that regard. I found it, as I said, clear and convincing.

The Llama Omni also consists of three pieces rather than one cast piece as the invention claims. I don't think that difference is unobvious. I agree with Mr. Findlay in that regard. Whether you make the grips separate or not is significant.

To make a one-piece frame instead of a three-piece frame would have been obvious to someone with ordinary skill in the art, and I think is one of many standard obvious engineering choices that could have been made.

And I think what I found as I went through here, some of the telltale flags as it were of obviousness is when you have art that teaches a way from the claimed [24] invention. So, that when someone arrives at the claim invention, it's a kind of ah ha, a sort of insight, something unobvious.

I was -- I never felt that at all in this case. I think Mr. Findlay's testimony persuaded me again by clear and convincing evidence that it simply doesn't exist in this case. This was, in the Court's view, a straight forward, ordinary skill in the art solution.

Now, the plaintiff says, well, look I tried in 1970, and I didn't seem to be able to do it. But as I recall the testimony of what he did in 1970, I'm not sure I would -- in fact, let me say, I don't credit the plaintiff, the inventor, in 1970 with ordinary skill in the art. He hadn't been doing it for five years. He didn't have all the knowledge that -- I think he would be on the razor's edge of having ordinary skill in the art, probably didn't have it.

I'm going to come to long-felt need in a moment, but I don't feel there was any long-felt need. And I'll explain at some greater detail why.

But, in any event, the differences between the Llama Omni and the Browning Hi-Power in claim one are not obvious in the Court's view.

I don't deal with the Boland because the Boland I've decided not to deal with as prior art. Yes, there's [25] no convergence in the Browning either at the intermediate face chamber. As I said, I don't consider that to be unobvious.

Now, we come to claim two. I'm really elaborating now, but I found as I said, compelling the testimony of Mr. Findlay and will adopt that.

Now, claim two deals with the magazine. I omitted to say something which I need to say, the reason I'm going on to obviousness. The reason is that the ruling I made on restricting the patent to a conversion kit does not involve a novel and interesting issue of law. And although I don't think there's any infringement because of that and there's no doctrine of equivalence, if the Court is incorrect and the patent invention is for a gun not a conversion kit, then there would be infringement. And I think the defendant conceded as much.

But if it is a conversion kit, there is no infringement. If it is for a handgun, then there is infringement.

Let me give the court reporter an opportunity to change the paper.

I didn't go on in the Boland gun to talk about whether or not I didn't get down to the level of detail whether someone just paying for a deposit rather than the whole amount is a sale and whether simply because it's [26] privately used rather than everybody being able to use it just one of them.

Mr. Baker said that his notion of experimental was that it was unique. There's only one of them essentially. That may be a factor to take into account in determining whether it's experimental. But that is not a definition of experimental. The constant modifications is what stymied the Court on

that. Otherwise the selling and public use of it and all the rest would have been clearly met by the facts in this case.

So I think it was offered for sale. I think it was sold to this man. I'm not sure that I -- I don't want to get to the point -- I'll abstain from saying whether it was experimental because I don't need to reach it.

It also isn't relevant to the inequitable conduct, because I'm not persuaded that this defendant knew enough -- I mean this plaintiff, this patentee, knew enough about the Boland to create an issue. And we'll come to whether or not he had any duty to research. We'll come to that in a few minutes.

In any event, I had deliberately chosen not to decide the issue of whether it's experimental.

Certainly, if it is not experimental and legitimately a piece of prior art, it certainly buttresses the obviousness conclusion that the Court has reached.

[27] Now, as I said in claim one, the Llama Omni has the straight through-bore and the no convergence. And it has a three part. None of those differences the Court thinks are obvious. They're all, I think, various obvious ways to do things. And the Browning Hi-Power, of course, has the straight through, no convergence. I already dealt with that as well. I'm not going to deal with Boland.

Now, the claim two as I said, is dependent on claim one, but it describes the magazine having a convergent shape to fit a converging bore. But the stacked magazines were well known in the art, and there were many variations of it. The description in the claim describes essentially a number of existing magazines. It isn't peculiar. It isn't in the Court's view, different from many others or from a number of others.

The H & K magazine has two rounds in a straight line in the upper portion. The Hi-Power -- Browning Hi-Power magazine has a converging shape. It doesn't fit snuggly in

the straight -- in the through-bore. But, I mean, the fact is I've already concluded that having a converging part of the frame into which the magazine may fit tightly is not unobvious.

In other words, if you had a straight through-bore and a converging thing, it still works, it's no big deal. The Llama Omni magazine is -- has four [28] rounds at the top. The Llama Omni of course being a nine millimeter pistol has four rounds and a straight line at the top, and it's a staggered round as many of them are.

There are, in the Court's view, no non-obvious difference between the magazine described in claim two as it incorporates claim one and the prior art magazines.

I think claim two, if you read it carefully, describes the Llama Omni magazine. It reads on it. And I think claim two would be obvious to one skilled in the art in 1987-88 for the same reasons that I said before, namely that the differences between the prior art and that are not unobvious. And it's something that -- knowledge generally available to one of ordinary skill in the art would have led them to do that.

Claim three relates to the trigger assembly. Claim three really doesn't add anything. The trigger loops and the grooves were known in the art. And in essence, you got to remember that what's going on here is someone is just using -- someone is using the Colt .45 or what you would do with this conversion kit is use certain parts of the Colt .45 to make a converted handgun. And the parts of the kit is a frame, a magazine, a magazine catch, a trigger assemble and a pair of grip covers.

And this trigger assemble, in the Court's view, there really isn't any significant difference between the [29] prior art and claim three. And any invention in claim three and claim one taken together and viewed as whole would be obvious.

Claim three is dependent on claim two which in turn is dependent on claim one, and claim three as I said relates to the trigger assembly.

Claim four is the claim that depends on one, two, and three. It's the one that deals with the flanges. And it has cutout that fit or register with the grooves in claim three. And there are some differences.

The Colt, 1911 gun has flanges, but they aren't recessed. And the flanges of the 1911 gun are not recessed because the grip is of uniform width and the Colt trigger loop is -- fits between the flanges without requiring a cutout.

Now the fact that you have a cutout through the flanges is not an unobvious invention. And looking at the thing as a whole, as I said, claim four, three, two, and one, it is in the Court's view obvious.

And claim five which deals with grip covers, again, the Court has the same view with respect to claim five, because those -- all the grip covers have is those extensions to cover the cutouts. The difference really isn't -- the prior art doesn't precisely use grip cover to cover a cutout. But, the grip cover's long. That's what [30] they do. They cover holes in grips and the like.

I don't think we've come to the point in American patent law where we give patents for merely covering up cutouts and flanges.

Now, if the Boland were prior art, it would have even been stronger in this area. But it's strong enough in the Court's view.

Now, I think the claim five would be obvious to one with ordinary skill in the art and there's a standard engineering practice, handgun design practice to design a grip cover that would cover the cutouts.

Claim seven -- and viewing the invention as a whole, that doesn't add anything. You really keep coming back to

claims one and two. And once they fail, everything else really is 1911 with a few minor changes.

Claim seven is dependent on one and adds "the top opening of the through-bore has a width sufficient for discharging a single round." That's certainly -- I think, the prior art points persuasively, compellingly in the direction of doing that in two and three and four.

And the testimony that the Court heard says that it doesn't -- this isn't the kind, as I said before, it isn't the kind of ah ha, I'm doing something, this is neat. I found something that wasn't obvious before. I'm just using that quote really, but I found Mr. Findlay's [31] testimony persuasive there as well.

Claim seven also has that top part with the front portion of a generally semi-circular cross section with top edges and rear portion stemmed up from the front portion of the grooves along the rear portion. And I don't think that's a difference. It's obvious for the reasons Mr. Findlay gave.

Now, claim eight is dependent on seven, which in turn is dependent on one. And all that does is add the further limitation of extensions to the top part for pivotly mounting the hammer of the gun. And this is the Colt 1911, the Browning Hi-Power, the Llama Omni, no difference. Significant difference between those two and that would be obvious as well.

Now, there were several secondary considerations offered. So to sum up, the Court finds ultimately, taken as a whole, the invention as a whole is obvious to one with ordinary skill in the art at the time of the invention 1987-1988.

Now, the secondary considerations, there were three secondary considerations offered by the plaintiff, one was fulfilling a long-felt need. The second was commercial success, and the third was copying.

I'm not at all persuaded that there is any long-felt need in this case. The joint service [32] operational requirement in

'86 changed the standard issue from a 1911 to a Beretta nine millimeter. That's the standard service issue weapons in the years from '86 to '89, that has a capacity of 15 shots, nine millimeter.

I don't have any doubt at all that if the U. S. or somebody had said you know we really need an expanded capacity .45, we really want it that there wouldn't have been expanded capacity .45's going back to 19 -- early part of this century. There isn't any long-term need.

I also found that although is was disputed, there was testimony that -- I was persuaded that his effort in 1970, the patentees effort was a failed effort. I think there's a question whether he had ordinary skill in the art, but I didn't find that to be a failed effort. He just put it down and went on to other things.

Mr. Morrison testified that Smith and Wesson never tried to make an enhanced .45. He testified that that he brought the Para-Ordnance design to Colt's attention, and they weren't interested.

Nothing points to any long-felt need in this case. The plaintiffs tried to suggest that he was bias, that he knew the plaintiff -- beg pardon, the defendant said, they knew he knew the plaintiff and his partner, that is the patentee and his partner. But I don't think Mr. Morrison testified falsely. He said he candidly [33] brought it to their attention and they reviewed it.

There just isn't any evidence of any long-felt need that would point persuasively to long-felt need. And in long-felt need, as with other secondary considerations, I believe the burden there is on the patentee by a preponderance.

Am I right about that, Mr. -- am I right about that?

MR. ROSENBERG: Yes, Your Honor.

THE COURT: Mr. Rosenberg.

MR. ROSENBERG: Yes, I believe you're correct, Your Honor.

THE COURT: So, I don't find that there is any long-felt need. Mr. Wood's testimony was also to the essence of that. It's the Court's view it didn't show any long-felt need.

Next with respect -- well, the Marine Corp -- now, there's a .45 caliber Glock 21 expand capacity which the Marine Corp is going to use for their special program, but it doesn't have a converging frame side walls and it's, in effect, a noninfringing substitute. And the Glock 21 was picked for lots of reasons including weight, safety and a number of other things that was testified to by the marine officer whose name I've now forgotten.

In any event, I don't see any long-felt need [34] here at all.

Now, we go to -- I think there is now a need. A need has -- I don't think it's a long-felt need, but I think there is demand now for an enhanced capacity .45, only not in small measure in the Court's view to desire to put as high powered a weapon in the hands of military and law enforcement personnel because enemies these days have the highest caliber and highest power guns. And there is also an effort to limit the purchase of handguns in the Congress. So that, too, leads to increase in demand. But, there is no long-felt need prior to '87 and '88 that this met, that is this patent.

Next, commercial success. The commercial success, there has been some commercial success, but I don't see any evidence to show that this commercial success is related to an invention that the patentee claims to have made. I think it's related to other matters that are not probative of unobviousness.

It's -- so, I don't find that that factor has been proved by a preponderance. I think there's a substantial amount of advertising by Para-Ordnance. They use competitive shooting team. They also -- they never advertised this converging greater thickness, more strength or anything of that sort, which is another factor which led me to believe that it's a kind of post hoc [35] consideration.

And anyway, as I indicated the market for expanded capacity guns began in the late 80's to mid to late 80's to increase, and now there is a market for expand capacity .45 but no long-felt need. And the commercial success was as a result of the factors relating to enhanced capacity handguns in general and not anything in the invention -- claimed invention. So, there's no long-felt need and no commercial success attributable to the invention that would buttress a claim of unobviousness as a secondary consideration.

Next, copying. I watched the copying thing fairly carefully because I was troubled by the fact that when the gun was located in the booth in the show in November of '93, it had a Para-Ordnance magazine in it. And there was also testimony that suggested that the magazine, that is a paper magazine, not an ammunition magazine, had somehow been sent from SGS to Spain. There was some concern about that.

But as I read all of the exhibits and the testimony, the Court is hampered somewhat in being able to make the determination of credibility because those witnesses weren't here. But based on what I read, I am persuaded that the preponderance of the evidence does not show copying that would buttress unobviousness.

[36] Model guns were apparently built from the ground up based on the previous Llama Omni. The fact that the other magazine fits it is certainly a factor I took into account and the periodical that was sent were the factors I took into account. But ultimately, I was not persuaded by a preponderance of the evidence that copying appropriate to buttress a claim of unobviousness existed.

So, in the Court's view, the patent, the claims in the patent are obvious, and therefore the patent is invalid.

We come now to inequitable conduct, and I addressed that because I may be wrong about the others. On inequitable conduct, I think the stand is well settled and not seriously disputed by the parties.

In essence, the plaintiff, or the defendant has to show by clear and convincing evidence that something material was deliberately or intentionally withheld from the patent office or that there was such gross negligence that the patentee can be held to have behaved in inequitably and therefore the patent is invalid.

I don't think this is a case of inequitable conduct. I think they knew precious little about the Llama Omni. He didn't know about the Browning Hi-Power. I don't think he's obligated to undertake any search. They didn't, as it turned out, prior to patent. They [37] didn't do a search, and I don't think he withheld anything intentionally or that he was so grossly negligent.

Now, you can't be willfully blind of things as a patent applicant. You do have, for example, if he had seen something that looked like it, he might have an obligation to say, gee, let me see that, or let me go buy that magazine. That looks pretty much like what I have been having in mind. Or that looks pretty much like my patent application.

But there is no evident of that here in the Court's view. The fact that he didn't discuss Rule 56, that sort of thing, I think is immaterial. He has the duty whether he reads it or not. I think here there just isn't the kind of evidence that would make Mr. Szabo's conduct inequitable.

So, if the federal circuit were to decide that I'm wrong about infringement, that I'm wrong about obviousness, then there would be infringement. And if it's valid, inequitable conduct would not stand in the way.

Now, you might think that good judicial husbandry should suggest to the Court that the Court go on to make findings about damages. But there is a limit to good judicial husbandry as well as energy.

If it turns out that this matter goes on, there [38] is ample evidence in the record from which the Court can make findings, if it's directed to by the federal circuit on damages.

And I've made my notes and I would be prepared to do so with very little there wouldn't be any need for any additional evidence.

But in any event, the Court has held, no infringement for the reasons I've stated. And it's held that the patent is obvious for the reasons I stated. And it's held that the invention as a whole is obvious for the reasons I've stated; namely, both the prior art and teachings of the prior art point in that direction and also the general -- the general knowledge of one skilled in the art to deal with the problem, that is the problem of going from any standard to make an enhanced capacity in a .45 based on what's known about enhanced capacity pistols, and just general gunsmithing, metal work.

Now, you're the prevailing party, Mr. Rosenberg. Are there any findings that you believe that the Court should make that it has not already made?

MR. ROSENBERG: Now, Your Honor.

THE COURT: You want to consult briefly with Mr. Settee?

MR. ROSENBERG: Just actually, to correct the record, I think two items at least worth mentioning. I'm not sure -- I don't think it's important, but I'm not sure [39] that on the copying issue that a periodical was sent to -- the testimony was that the periodical was sent to Spain. I think it was the actual metal magazine. I just was to mention that.

THE COURT: Well, maybe I misread that, but I know something was sent to Spain that peaked my interest in the depositions. What was it?

MR. PETRY: It was the magazine, the metal magazine.

THE COURT: Okay, well that -- I knew it was something of that sort. And I knew they had Para-Ordnance magazines because there was one found at the -- I was persuaded that Mr. Szabo correctly recognized one of his magazines there.

And he also said that the name had been apparently filed off. All of those was -- all of that was information from which I could have drawn the inference, could have invited the inference. But I simply wasn't persuaded.

I read the depositions carefully, and I read the corrections and so forth. And I think they pretty clearly denied it. And the only evidence to the contrary was the magazine that was found there which was, now that Mr. Petry reminds me, it wasn't the magazine. I think what it was Mr. Szabo had seen the Llama Omni in the magazine. He had never seen a Llama Omni until about 1991 or '92. But [40] he had seen a Llama Omni in a magazine, and it was on that basis that you, Mr. Rosenberg, thought he had an obligation to investigate further and bring it to the attention of the patent office.

And he did, indeed, see a picture of a Llama Omni. But I'm concluding that he didn't have the obligation to investigation further and call it to the attention.

I do find that it's material prior art but not that he acted inequitable in failing to call that to the attention of the patent office.

What's next, Mr. Rosenberg?

MR. ROSENBERG: There's some confusion at our table so if you could clear it up whether you had stated that the accused gun was derived from the Llama Omni or the Llama 9-A.

THE COURT: It was a 9-A was what I should have said not the Llama Omni. If I said Llama Omni, I misspoke. It was 9-A. I think the record is clear and undisputed on that.

MR. ROSENBERG: That's all we have, Your Honor.

THE COURT: All right. Again I want to thank counsel and I wish both sides could win because in so many cases

that I have, neither side deserves to wear a white hat. In this case, both sides deserve to wear a white [41] hat.

Mr. Szabo didn't do anything wrong. He certainly thought he came up with something. I think if he had to do it over again, he might write the patent a little differently. But, he may yet prove me wrong at the federal circuit.

But he certainly is an able person and businessman and didn't do anything wrong. And it is unfortunate but that's the nature of litigation; one side wins and the other side loses. If the parties had opened to settlement, they might have had both sides winning.

Mr. Meyers, you can now relax at your oars for awhile. All right, the Court stands in recess.

The guns should not go back unless there is -- if there is an appeal, the guns should all remain here in the safe. If there's not an appeal, they may be returned to the parties. But, if they're an appeal, they must remain here.

Is there any problem logistically with keeping it in the safe?

THE CLERK: Miss Casey doesn't like us to keep a lot of these things ——

THE COURT: She doesn't have any choice. She's going to keep these guns. They're going to go in the safe.

[42] It might be helpful for the parties to provide a container for these guns that has a lock on it rather than just these cardboard boxes. I had them spread out over my area last night in my chambers. But I think what you should supply to the clerk's office is a box that closes. Put both defendant's and plaintiff's guns in there so that it closes with a lock on it. I think that would be -- that would solve our storage problems here.

What we don't want is to have a lot of firearms in our safe that are easily accessible to anyone who can go in the safe.

Any problem with that, Mr. Rosenberg?

MR. ROSENBERG: We'll figure out some way to accomplish it, Your Honor.

THE COURT: Again, thank you. Court stands in recess.

* * *

[43] I hereby certify that the foregoing is a true and complete transcript from the original stenotype record of proceeding in this matter.

DATED: June 13, 1994

/s/ Renecia A. Wilson, RPR/CP
Official Court Reporter

United States Court of Appeals
for the Federal Circuit

94-1486, –1487

PARA-ORDNANCE MANUFACTURING, INC.,

Plaintiff-Appellant,

v.

SGS IMPORTERS INTERNATIONAL, INC.,

Defendant/Cross-Appellant.

Filed March 20, 1996

ORDER

A combined petition for rehearing and suggestion for rehearing in banc having been filed by the APPELLANT, and a response thereto having been invited by the court and filed by the CROSS-APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the suggestion for rehearing in banc and response having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, DECLINED.

The mandate of the court will issue on March 27, 1996.

Dated: March 20, 1996

FOR THE COURT,
FRANCIS X. GINDHART, CLERK

By /s/ Diane M. Frye
Diane M. Frye
Chief Deputy Clerk

cc: DONALD R. DUNNER
SUMNER C. ROSENBERG